

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-2411
of WorldCom, Inc., Denver, Colorado)
and Intermedia Communications, Inc.) GRANTED
for approval to transfer control of)
Intermedia Communications, Inc. to)
WorldCom, Inc.) Entered: December 5, 2000

BY THE COMMISSION:

On October 23, 2000, an application was filed by WorldCom, Inc. (WorldCom) and Intermedia Communications, Inc. (Intermedia) seeking approval to transfer control of Intermedia to WorldCom. Notice of the application was published in The Daily Record, Omaha, Nebraska, on October 25, 2000. No protests were filed; therefore, this application is processed pursuant to the Commission Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

WorldCom is a publicly-traded Georgia corporation with its principal place of business in Clinton, Mississippi. WorldCom, through various operating subsidiaries, is authorized to interstate and intrastate, local and international telecommunications services in each of the 50 states and the District of Columbia, including intrastate services within Nebraska.

Intermedia is a publicly-traded Delaware corporation with its principal place of business in Tampa, Florida. Intermedia was granted approval to provide competitive local exchange telecommunications services on May 6, 1997, pursuant to Commission order in Application No. C-1450. Intermedia was granted approval by this Commission to provide interexchange telecommunications services on March 4, 1997, in Application No. C-1420. Intermedia is also the controlling shareholder in Digex, Incorporated (Digex). Digex is a provider of managed web and application hosting services.

Upon completion of this merger transaction, Intermedia will become a subsidiary of WorldCom. WorldCom will then also have voting control of Digex. Digex's web-hosting capabilities is a principal objective of WorldCom in the merger. WorldCom will also acquire Intermedia's telecommunications services, assets and operations, including its regulated services, assets and operations in Nebraska. Intermedia will continue to hold the certificates issued to it by the Commission, and to operate in Nebraska pursuant to those certificates under the same rates, terms and conditions.

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Subject to the terms and conditions of the merger agreement, Wildcat Acquisition Corp., a wholly-owned, newly-formed Delaware subsidiary of WorldCom, will merge with and into Intermedia, and Intermedia will be the surviving corporation. Intermedia, as the surviving company following the merger, will become a subsidiary of WorldCom upon completion of this transaction. A copy of the agreement and plan of merger was filed with and made a part of the application as Exhibit 2.

WorldCom states in its application that it possesses the technical, managerial and financial qualifications to acquire control of Intermedia. WorldCom further submits that it is operated by a highly qualified management team, all of whom have extensive backgrounds in telecommunications. Information concerning the legal, technical, managerial and financial qualifications of WorldCom was submitted with various applications filed with the Commission. WorldCom requests that the Commission take official notice of the existing descriptions of WorldCom's qualifications and incorporate them with the above-captioned docket for consideration.

WorldCom offers that the proposed merger is in the public interest pursuant to Neb. Admin. R. & Regs. § 002.26C. WorldCom states that the merger will benefit Nebraska customers because WorldCom will assume Intermedia's current debt and provide it with funds to cover operating losses. Overall, WorldCom states, it will stabilize Intermedia which will permit Intermedia to continue offering competitive local exchange services and interexchange services to Nebraska customers.

Based on the evidence presented, we find the application to be fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2411 be, and it is hereby granted and the transfer of control of Intermedia Communications, Inc. to WorldCom, Inc. be approved.

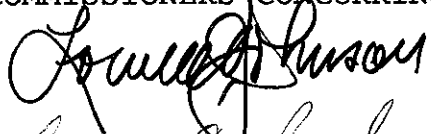
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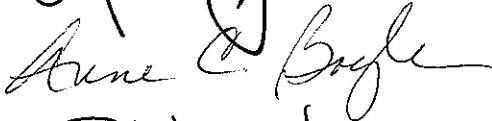
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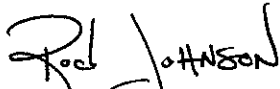
MADE AND ENTERED at Lincoln, Nebraska, this 5th day of December, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:







//s//Frank E. Landis


Chairman

ATTEST:


Executive Director

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION
